

**PRESS RELEASE**

Colorado Department of Law
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FOR IMMEDIATE RELEASE

October 5, 2012

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ATTORNEY GENERAL ANNOUNCES \$4.6 MILLION SETTLEMENT WITH ABBOTT LABORATORIES OVER THE DRUG DEPAKOTE

DENVER – [Colorado Attorney General John Suthers](#) today announced that the State of Colorado received settlement funds from pharmaceutical manufacturer [Abbott Laboratories](#). The settlement resolves improper marketing allegations surrounding the drug Depakote which is used to treat various types of seizure disorders as well as manic episodes associated with bipolar disorder. Federal Medicaid program losses in Colorado totaled more than \$4.6 million. Because the states share in the funding of Medicaid, \$2.3 million will go to the federal government for damages with \$1.9 million to Colorado.

“These funds are a significant recovery for Colorado healthcare programs,” said Attorney General Suthers. “This case should send the message that Colorado stands ready to pursue providers who threaten the integrity of the state health care system and put at risk funds that are intended to benefit needy Coloradans.”

The money Colorado received is part of a multi-state \$1.5 billion settlement of alleged off-label marketing and misbranding announced in May 2012. The allegations included that Abbott marketed Depakote for a variety of other conditions for which it was not approved, including schizophrenia, depression, attention deficit disorder (A.D.D.), and anxiety; and to child and adolescent patients. Although physicians are generally free to prescribe drugs for non-approved (“off label”) uses, government health care programs such as Medicaid will not reimburse providers for such prescriptions.

The company is also alleged to have marketed the drug specifically to control behavioral disturbances in nursing home patients, and to have paid illegal remuneration to health care professions and long-term care, pharmacy providers to induce them to promote and/or prescribe Depakote. This settlement is based on four cases that were consolidated and resolved in the United States District Court for the Western District of Virginia in Abingdon, Virginia.

Abbott will pay the states and the federal government a total of \$800 million in civil damages and penalties to compensate Medicaid, Medicare, and various federal healthcare programs for harm suffered as a result of its conduct. In addition to the civil settlement, Abbott Laboratories pled guilty in the federal District Court for the Western District of Virginia in May 2012 to a violation of the Food, Drug, and Cosmetic Act (FDCA) and on October 2, 2012, pursuant to a plea agreement, was ordered to pay a criminal fine and forfeiture of an additional \$700 million. Further as a condition of the settlement, Abbott Laboratories will enter into a Corporate Integrity Agreement with the United States Department of Health and Human Services, Office of the Inspector General.

The settlement was facilitated in Colorado by the Attorney General's Medicaid Fraud Control Unit (MFCU), and Colorado MFCU personnel participated on the national litigation team and in the settlement negotiations. The State of Colorado pays out roughly \$4.5 billion per year for the medical care of almost 700,000 qualified recipients. The 17-member MFCU is tasked with the investigation and prosecution of provider fraud against the state Medicaid program, as well as physical and financial abuse of seniors and other residents of federally funded long-term care facilities.

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